

## Guidance for Capital Projects

Capital projects seek to improve the physical assets of an organization. Typical projects include:

- building construction and renovation
- technology
- furnishings
- equipment
- vehicles

### Specifics Related to Capital Projects

Requests for capital projects should clearly detail two things:

- (1) How the quality of life in the community will be improved as a result – or how the nonprofit will achieve significant new efficiencies
- (2) How the nonprofit will maintain the new asset(s)

Lower priority is given to large capital campaigns for which an average Community Grant will have less impact. And capital campaigns for college campuses or medical centers are a lower priority unless the project will have a direct impact on the neighboring community by housing community-based programs or providing significant public access to meeting spaces and community services.

### Questions OCF Asks During Proposal Review

#### ***Property acquisition, construction and renovation***

- ◇ Do you own the property? If not, please describe how an OCF investment in improvements would support the long-term goals of your organization?
- ◇ Is ownership of property or facilities critical to your mission?
- ◇ Could new facilities be leased rather than built? What are the comparative advantages of owning and leasing?
- ◇ Has your organization considered a loan as a feasible alternative to a capital fundraising campaign?
- ◇ Could some of the costs be covered through in-kind donations? Is there an opportunity for greater community involvement through in-kind contributions?
- ◇ What are the plan and timetable for developing the property?
- ◇ What are the restrictions on the use of the property?
- ◇ What is the status of any permits or licenses needed for this project?

### **Technology**

- ◇ What advantages will technology investments provide?
- ◇ How will you measure the impact of new technology?
- ◇ Have you sought technology donations or reduced prices?
- ◇ What kind of technical support is available to ensure the technology has the greatest impact? And have you factored in the cost of training for staff?

### **Furnishings and Equipment**

- ◇ How will new furnishings or equipment change or enhance existing programs?
- ◇ Will the changes be substantive?
- ◇ Have suitable in-kind donations been solicited?

### **Vehicles**

- ◇ What sort of vehicle are you requesting and why? How will this vehicle impact the persons served by your organization?
- ◇ Have local car dealerships or other businesses or individuals been contacted for in-kind donations?
- ◇ Will staff need special training or licenses to drive the vehicle?

### **General**

- ◇ What are the costs of maintaining and potentially insuring the new capital assets?
- ◇ Does the project increase or reduce your annual expenses? If it increases annual expenses, do you have the ongoing capacity to raise additional funds?
- ◇ Is the project actually a maintenance effort (e.g., roof repair, plumbing upgrades, or replacement of furniture) that could be considered the cost of doing business?
- ◇ Do your proposed changes reflect mandates by the Americans with Disabilities Act or other legislation?